

## STROOCK

By E-Mail and Mail

January 12, 2005

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Janet S. Baer, Esq.  
Kirkland & Ellis LLP  
200 East Randolph Drive  
Chicago, IL 60601

Re: W. R. Grace & Co., et al.

Dear Jan:

This letter confirms that in connection with the agreement of the Official Committee of Unsecured Creditors (the "Creditors' Committee") to be a Plan Proponent with the Debtors and the Equity Committee of the Amended Joint Plan of Reorganization to be filed with the Bankruptcy Court on or about January 13, 2005 as such Plan may be amended from time to time with the consent of the Creditors' Committee (the "Joint Plan"), the Debtors and the Creditors' Committee agree that the Creditors' Committee has the right to withdraw as a Plan Proponent of the Joint Plan on the occurrence of any of the following circumstances:

1. Failure of the Court to approve the Disclosure Statement incorporating the Joint Plan no later than November 30, 2005;
2. Determination by the Court (Bankruptcy or District) that the Joint Plan is not confirmable and the failure to file an amended Joint Plan within 60 days;
3. Determination by the Court (Bankruptcy or District) that the Debtors are insolvent;
4. Termination of the Debtors' exclusive period;
5. Withdrawal of the Joint Plan by the Plan Proponents and the failure of the Plan Proponents to file a new Joint Plan within 60 days; and

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6. Failure of the Joint Plan to become effective on or before January 1, 2007.

It is also understood that in the event that the Creditors' Committee withdraws as a Plan Proponent, the Debtors will no longer be bound by the agreement previously reached with the Creditors' Committee with respect to interest rates or any of the other provisions of the Joint Plan agreed to among the parties.

If this letter accurately states the parties' agreement in this regard, please sign this letter on the signature block provided below and forward the letter back to me.

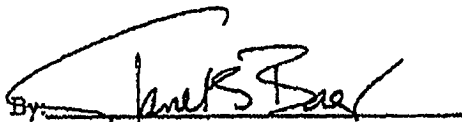
Please inform us promptly if this letter does not accurately reflect the parties' agreement.

Sincerely,

*Lewis Kruger*

Lewis Kruger

Agreed To:

By: 

Janet S. Baer, Esq.  
Kirkland & Ellis  
Counsel to the Debtors  
W.R. Grace & Co., et al.

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